

W 01303A-09 - 0343
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0000106053

ARIZONA CORPORATION COMMIS

ORIGINAL

UTILITY COMPLAINT FORM

Investigator: Brad Morton

Phone: [REDACTED]

Fax: [REDACTED]

Priority: Respond Within Five Days

Opinion No. 2009 - 83607

Date: 12/9/2009

Complaint Description: 08A Rate Case Items - Opposed
N/A Not Applicable

Complaint By: First: Last:
Donald Ruedinger

Account Name: Donald Ruedinger

Home: [REDACTED]

Street: n/a

Work:

City: n/a

CBR:

State: AZ Zip: 00000

is:

Utility Company: Arizona - American Water Company

Division: Water

Contact Name: [REDACTED]

Contact Phone: [REDACTED]

Nature of Complaint:

From: [REDACTED]
Sent: Monday, December 07, 2009 5:17 PM
To: Utilities Div - Mailbox
Subject: American Water rate increase

Arizona Corporation Commission

DOCKETED

DEC 11 2009

DOCKETED BY [REDACTED]

Dear Chairwoman Mayes

I'm writing to you about the outrageous rate increase that American Water is requesting for your approval. I was very impressed with your understanding of this issue in 2008 when the commission approved a rate increase and you voted against it. Your understanding of the unfairness to consumers in Anthem was very laudable and your just criticism of the commission in the way they approved the rate increase is heartening. I only hope that as chairwoman of this commission you use your influence to rectify this past unfairness to us consumers in Anthem. I hope you do not feel it is too late to rectify this unfairness. Thank you for your genuine concern for the consumer.

Donald Ruedinger MD
Anthem resident and consumer
End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Opinion docketed
End of Comments

RECEIVED
2009 DEC 11 P 3:53
AZ CORP COMMISSION
DOCKET CONTROL

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Date Completed: 12/9/2009

Opinion No. 2009 - 83607

W-01303A-09-0343
SW-01303A-09-0343

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Al Amezcua

Phone:

Fax:

Priority: Respond Within Five Days

Opinion No. 2009 - 83456 Date: 12/1/2009

Complaint Description: 08A Rate Case Items - Opposed
N/A Not Applicable

Complaint By: First: Jon Last: Patterson

Account Name: Jon & Mary Lou Patterson

Home:

Street: Work: (000) 000-0000

City: Anthem

CBR:

State: AZ Zip: 00000

is: E-Mail

Utility Company: Arizona - American Water Company

Division: Water

Contact Name: Karl Wilkins

Contact Phone:

Nature of Complaint:

Anthem Water District

Emailed received from customer

From: MaryLou
Sent: Sunday, November 22, 2009 9:43 AM
To: Utilities Div - Mailbox
Subject: AZ-American Proposed Water Rate Increase

Docket number: W-01303A-09-0343

Dear Commissioner:

If the rate proposed is approved on the above docket number at or near Arizona American Water's request, it will draw millions of dollars per year from this community into their pockets for the same gallon of water. With the condition of Arizona & the Country, this increase would devastate this community and those who are now just trying to survive this economic crisis that doesn't look as though will improve any time soon!

Regards,

Jon & Mary Lou Patterson

End of Complaint

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Utilities' Response:

Investigator's Comments and Disposition:

12/1/09 Utility response to customer via email

December 1, 2009

RE: ARIZONA AMERICAN WATER COMPANY

Dear Water Customer:

Your letter regarding the Arizona American Water Company ("AAWC") rate case will be placed on file with the Docket Control Center of the Arizona Corporation Commission ("Commission") to be made part of the record. The Commission will consider your comments before a decision is rendered in the AAWC application.

The concerns raised in letters received from customers will assist the Commission in the investigation and review of the rate application. The Commission's independent analysis of the utility and its rate request attempts to balance the interest of the utility and its customers.

Commission Staff is very sensitive to the burden that high utility rates can place on the consumer, and though constitutionally required to allow a fair return to the utility, does everything within its authority to protect the consumer.

Staff appreciates your comments and the interest taken on the proposed rate increase.

Sincerely,

Alfonso Amezcua
Public Utilities Consumer Analyst II
Utilities Division
End of Comments

Date Completed: 12/1/2009

Opinion No. 2009 - 83456

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Al Amezcua

Phone: -----

Fax: (

Priority: Respond Within Five Days

Opinion **No. 2009 - 83364**

Date: 11/30/2009

Complaint Description: 08A Rate Case Items - Opposed
N/A Not Applicable

First:

Last:

Complaint By: **Joyce**

Noble

Account Name: Joyce Noble

Home:

Street:

Work: (000) 000-0000

City: Anthem

CBR:

State: AZ **Zip:** 85086

is: E-Mail

Utility Company. **Arizona - American Water Company**

Division: Water

Contact Name: Karl Wilkins

Contact Phone:

Nature of Complaint:

Anthem District

From: Joyce Noble [mailto:
Sent: Tuesday, November 24, 2009 8:35 AM
To: Utilities Div - Mailbox
Subject: Docket number: W-01303A-09-0343

Joyce Noble
Anthem Community Center
Youth and Teen Manager

"Never underestimate the power of hope you give children!"

DO NOT RAISE THE WATER BILL!!!!!! CAN'T AFFORD IT!!!!
End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

11/30/09 Emailed response sent to the customer

November 30, 2009

RE: ARIZONA AMERICAN WATER COMPANY

Dear Water Customer:

Your letter regarding the Arizona American Water Company ("AAWC") rate case will be placed on file with the Docket Control Center of the Arizona Corporation Commission ("Commission") to be made part of the record. The Commission will consider your comments before a decision is rendered in the AAWC application.

The concerns raised in letters received from customers will assist the Commission in the investigation and review of the rate application. The Commission's independent analysis of the utility and its rate request attempts to balance the interest of the utility and its customers.

Commission Staff is very sensitive to the burden that high utility rates can place on the consumer, and though constitutionally required to allow a fair return to the utility, does everything within its authority to protect the consumer.

Staff appreciates your comments and the interest taken on the proposed rate increase.

Sincerely,

Alfonso Amezcua
Arizona Corporation Commission
Utilities Division
End of Comments

Date Completed: 11/30/2009

Opinion No. 2009 - 83364

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

Investigator: Al Amezcua

Phone:

Fax:

Priority: Respond Within Five Days

Opinion No. 2009 - 83661

Date: 12/10/2009

Complaint Description: 08A Rate Case Items - Opposed
N/A Not Applicable

Complaint By: First: Jim Last: Szura

Account Name: Jim Szura

Home: (000) 000-0000

Street: n/a

Work: (000) 000-0000

City: Anthem

CBR:

State: AZ Zip: 00000

is: E-Mail

Utility Company: Arizona - American Water Company

Division: Water

Contact Name: Karl Wilkins

Contact Phone:

Nature of Complaint:

12/10/09 Received email from Mr. Jim Szura

Anthem District

-----Original Message-----

From:

Sent: Sunday, December 06, 2009 4:33 AM

To: Utilities Div - Mailbox

Subject: Fwd: Anthem Water Rates=Ghost Town

Date: Sun, 6 Dec 2009 3:17:48 -0800

From:

To: Commissionatmailmaster@azcc.gov

Subject: Anthem Water Rates=Ghost Town

Dear Commisioners:

After reading Bob Golembe letter to you in the Foot Hills Focus Dec. 2, 2009, I not only support him but would like to be heard as well. I moved to Anthem approximately 3 years ago in Dec. 2006 from Chicago (south suburbs) where my total water bill averaged \$ 45 bi-monthly which also included trash disposal for a town of 7,000 people, so I am totally shocked by my utility bills (water and electric) here. Had I known what these unregulated bills would be I would have never moved here. Not only have I lost half the value of my new home since arrival I have a hard time understanding why the AZ commissions in both water and electric allow these companies unjustified rate increases. It takes a Philidelphia lawyer to figure out the electric itimized bill with duplicate billing and extra fees(meter, readings, etc..) that should be part of the basic service or delivery of product. As far as the unregulated water increases I fear that nobody (residential or commercial) would want to come to Anthem or that Anthem could keep their present residents or business here. Anthem could very possibly become a ghost town (worthless). This could destroy not only Anthem's future for progress but the

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

state of Arizona image as residents will leave and the word will be out and potential new residents and business won't move here. Why would anybody want to move to or stay in a state where it appears that the state regulators favor the utilities over it's citizens. Any rate increases have to be permanently stopped, especially in this economy. The utility companies can get there funding elsewhere (issue stock, bonds, etc..) instead of taking advantage of the public and the regulators.

Warmest Regards,

Jim Szura
Anthem, AZ
Docket: W-01303A-09-0343
End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

12/10/09 Emailed response sent to the customer

December 10, 2009

RE: ARIZONA AMERICAN WATER COMPANY

Dear Water Customer:

Your letter regarding the Arizona American Water Company ("AAWC") rate case will be placed on file with the Docket Control Center of the Arizona Corporation Commission ("Commission") to be made part of the record. The Commission will consider your comments before a decision is rendered in the AAWC application.

The concerns raised in letters received from customers will assist the Commission in the investigation and review of the rate application. The Commission's independent analysis of the utility and its rate request attempts to balance the interest of the utility and its customers.

Commission Staff is very sensitive to the burden that high utility rates can place on the consumer, and though constitutionally required to allow a fair return to the utility, does everything within its authority to protect the consumer.

Staff appreciates your comments and the interest taken on the proposed rate increase.

Sincerely,

Alfonso Amezcua
Public Utilities Consumer Analyst II
Utilities Division
End of Comments

Date Completed: 12/10/2009

Opinion No. 2009 - 83661

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Al Amezcua

Phone:

Fax:

Priority: Respond Within Five Days

Opinion **No.** 2009 - 83664

Date: 12/10/2009

Complaint Description: 08A Rate Case Items - Opposed
N/A Not Applicable

First:

Last:

Complaint By: **Donald**

Wilson

Account Name: Donald R and Ruth Wilson

Home: (000) 000-0000

Street:

Work: (000) 000-0000

City: Anthem

CBR:

State: AZ **Zip:** 85086

is: E-Mail

Utility Company: **Arizona - American Water Company**

Division: Water

Contact Name: Karl Wilkins

Contact Phone:

Nature of Complaint:

12/10/09 Received email from Mr. Donald R Wilson

Anthem District

From: Don Wilson

Sent: Monday, December 07, 2009 10:30 PM

To: Utilities Div - Mailbox

Cc: Bob Golembe

Subject: Arizona American Water (H2O) Rate Increase-W-01303A-09-0343

Dear Commission Members,

The above rate increase number on your docket is criminal to the citizens of Anthem who purchased homes in good faith. There was no disclosure in my/ our contract by Pulte/Del Webb or their successors that we were to pay for the infrastructure to provide potable/non-potable water west of I-17.

You need to tell AAW to eat their rate increase over an above reasonable rate increase due to operating cost or their cost of purchase.

I attach Commissioner Mayes comments of June 2008 , Decision 70372 regarding this matter. See attachment.

Donald R. & Ruth E. Wilson (owners)

End of Complaint

Utilities' Response:

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator's Comments and Disposition:

12/10/09 Emailed response sent to the customer

December 10, 2009

RE: ARIZONA AMERICAN WATER COMPANY

Dear Water Customer:

Your letter regarding the Arizona American Water Company ("AAWC") rate case will be placed on file with the Docket Control Center of the Arizona Corporation Commission ("Commission") to be made part of the record. The Commission will consider your comments before a decision is rendered in the AAWC application.

The concerns raised in letters received from customers will assist the Commission in the investigation and review of the rate application. The Commission's independent analysis of the utility and its rate request attempts to balance the interest of the utility and its customers.

Commission Staff is very sensitive to the burden that high utility rates can place on the consumer, and though constitutionally required to allow a fair return to the utility, does everything within its authority to protect the consumer.

Staff appreciates your comments and the interest taken on the proposed rate increase.

Sincerely,

Alfonso Amezcua
Public Utilities Consumer Analyst II
Utilities Division
End of Comments

Date Completed: 12/10/2009

Opinion No. 2009 - 83664

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Al Amezcua

Phone:

Fax:

Priority: Respond Within Five Days

Opinion **No.** 2009 - 83663

Date: 12/10/2009

Complaint Description: 08A Rate Case Items - Opposed
N/A Not Applicable

First:

Last:

Complaint By: **Richard**

Perez

Account Name: Richard Perez

Home:

Street:

Work: (000) 000-0000

City: Anthem

CBR:

State: AZ **Zip:** 85086

is: E-Mail

Utility Company. **Arizona - American Water Company**

Division: Water

Contact Name: Karl Wilkins

Contact Phone:

Nature of Complaint:

12/10/09 Received email from Mr. Perez

Anthem District

From: Dick Perez

Sent: Sunday, December 06, 2009 6:02 PM

To: Utilities Div - Mailbox

Cc: Mayes-WebEmail; Kennedy-Web; Newman-Web; Pierce-Web; Stump-Web

Subject: Anthem Rate Shock, Docket: W-01303A-09-0343

Dear Chairperson Mayes and fellow Commissioners,

I have read the letter of Bob Golembe to you appearing in the December 2nd edition of The Foothill Focus, with which the contents I am totally in agreement.

Without repeating the accurate and salient points of Mr. Golembe's letter, with which you are very familiar, in my humble opinion Arizona American Water is acting in this matter like the banking industry did with their homeowner lending policies, i.e., taking advantage of its customers because they could. We all know how that played out.

Azam Water is not only trying to double-bill its customers, but unfairly seeking to balloon the rate base so as to have all future ratepayers paying for these costs. Clearly, the fox is in the henhouse and he is unfettered. The Commission needs to exercise the powers in its purview to correct past inequities and to put us, the customers, on a path of fair and reasonable rates.

Richard Perez

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

12/10/09 Emailed response sent to the customer

December 10, 2009

RE: ARIZONA AMERICAN WATER COMPANY

Dear Water Customer:

Your letter regarding the Arizona American Water Company ("AAWC") rate case will be placed on file with the Docket Control Center of the Arizona Corporation Commission ("Commission") to be made part of the record. The Commission will consider your comments before a decision is rendered in the AAWC application.

The concerns raised in letters received from customers will assist the Commission in the investigation and review of the rate application. The Commission's independent analysis of the utility and its rate request attempts to balance the interest of the utility and its customers.

Commission Staff is very sensitive to the burden that high utility rates can place on the consumer, and though constitutionally required to allow a fair return to the utility, does everything within its authority to protect the consumer.

Staff appreciates your comments and the interest taken on the proposed rate increase.

Sincerely,

Alfonso Amezcua
Public Utilities Consumer Analyst II
Utilities Division
End of Comments

Date Completed: 12/10/2009

Opinion No. 2009 - 83663

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Al Amezcua

Phone:

Fax:

Priority: Respond Within Five Days

Opinion **No.** 2009 - 83662

Date: 12/10/2009

Complaint Description: 08A Rate Case Items - Opposed
N/A Not Applicable

First:

Last:

Complaint By: **Brian**

Bedard

Account Name: Brian Bedard

Home: (000) 000-0000

Street:

Work: (000) 000-0000

City: Anthem

CBR:

State: AZ **Zip:** 85086

is: E-Mail

Utility Company. **Arizona - American Water Company**

Division: Water

Contact Name: Karl Wilkins

Contact Phone:

Nature of Complaint:

12/10/09 Received email from Mr. Brian Bedard

Anthem District

From:

Sent: Sunday, December 06, 2009 1:20 PM

To: Utilities Div - Mailbox

Subject: anthem water rate increase

Dear Sirs,

I am opposed to any water rate increases for Anthem. This is outrageous of what the increases are. This is pertaining to W-01303A-09-0343. Do what is right for us consumers.

Respectfully,
Brian Bedard

End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

12/10/09 Emailed response sent to the customer

December 10, 2009

RE: ARIZONA AMERICAN WATER COMPANY

Dear Water Customer:

Your letter regarding the Arizona American Water Company ("AAWC") rate case will be placed on file with the Docket Control Center of the Arizona Corporation Commission ("Commission") to be made part of the record. The Commission will consider your comments before a decision is rendered in the AAWC application.

The concerns raised in letters received from customers will assist the Commission in the investigation and review of the rate application. The Commission's independent analysis of the utility and its rate request attempts to balance the interest of the utility and its customers.

Commission Staff is very sensitive to the burden that high utility rates can place on the consumer, and though constitutionally required to allow a fair return to the utility, does everything within its authority to protect the consumer.

Staff appreciates your comments and the interest taken on the proposed rate increase.

Sincerely,

Alfonso Amezcua
Public Utilities Consumer Analyst II
Utilities Division
End of Comments

Date Completed: 12/10/2009

Opinion No. 2009 - 83662

U.01303A.09.0343
SW.01303A.09.0343

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

Investigator: Guadalupe Ortiz

Phone: [REDACTED]

Fax: [REDACTED]

Priority: Respond Within Five Days

Opinion No. 2009 83436

Date: 12/1/2009

Complaint Description: 08A Rate Case Items - Opposed
N/A Not Applicable

Complaint By: First: Michael Last: Wright

Account Name: Michael Wright

Home: [REDACTED]

Street: [REDACTED]

Work:

City: Anthem

CBR:

State: AZ Zip: [REDACTED]

is:

Utility Company: Arizona - American Water Company

Division: Water

Contact Name: [REDACTED]

Contact Phone: [REDACTED]

Nature of Complaint:

CORRESPONDENCE RECEIVED - OPINION OPPOSED:

RE: Docket No. W-01303A-09-0343

Date: 11/20/09

Name: Michael Wright

Address: [REDACTED]

Phone: (480) 488-7742

Email: [REDACTED]

Docket No.: W-01303A-09-0343

Utility Co.: Arizona American Water

Comments: If the rate proposed is approved at or near Arizona American Water's request, it will draw millions of dollars per year from this community into their pockets for the same gallon of water. The cost of water in this community is almost three times what it was in Scottsdale. How can such an egregious increase be justified?

End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Opinion docketed with the Docket Control Center of the Arizona Corporation Commission to be made part of the record. CLOSED

End of Comments

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Date Completed: 12/1/2009

Opinion No. 2009 - 83436

U.01303A.09.0343

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Guadalupe Ortiz

Phone: [REDACTED]

Fax: [REDACTED]

Priority: Respond Within Five Days

Opinion No. 2009 83435

Date: 12/1/2009

Complaint Description: 08A Rate Case Items - Opposed
N/A Not Applicable

First:

Last:

Complaint By: **Charles and Joan** **Anson**

Account Name: Charles and Joan Anson

Home: [REDACTED]

Street: [REDACTED]

Work:

City: Anthem

CBR:

State: AZ Zip: [REDACTED]

is:

Utility Company. Arizona - American Water Company

Division: Water

Contact Name: [REDACTED]

Contact Phone: ([REDACTED])

Nature of Complaint:

CORRESPONDENCE RECEIVED - OPINION OPPOSED:

RE: Docket No. W-01303A-09-0343

Date: 11/21/2009

Name: Charles and Joan Anson

Address: [REDACTED]

Phone: [REDACTED]

Email: [REDACTED]

Docket No.: W-01303A-09-0343

Utility Co.: Arizona American Water Co

Comments:

ACC Commissioners:

Under the present request our water/wastewater bill will go from \$60.35 to \$113.84 per month. That is obscene. We were never informed by Pulte/Dell Webb that we were to pay for the infrastructure other than from the water meter to our home. Surprise, now Arizona American has to repay Pulte the cost of the imbedded facilities so they pass the cost on to us. This is dirty pool in our book. Please do not approve the Docket as it is presently written. Think of the residents and how they got shafted. Thank you.

Charles and Anson

End of Complaint

Utilities' Response:

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

Investigator's Comments and Disposition:

Opinion docketed with the Docket Control Center of the Arizona Corporation Commission to be made part of the record. CLOSED

End of Comments

Date Completed: 12/1/2009

Opinion No. 2009 - 83435

W-01303A-09-0343

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

Investigator: Guadalupe Ortiz

Phone: [REDACTED]

Fax: [REDACTED]

Priority: Respond Within Five Days

Opinion **No.** 2009 83434

Date: 12/1/2009

Complaint Description: 08A Rate Case Items - Opposed
N/A Not Applicable

First:

Last:

Complaint By: Joseph and Margaret Oloffo

Account Name: Joseph and Margaret Oloffo

Home: [REDACTED]

Street: [REDACTED]

Work:

City: Phoenix

CBR:

State: AZ

Zip: [REDACTED]

is:

Utility Company: Arizona - American Water Company

Division: Water

Contact Name: [REDACTED]

Contact Phone: [REDACTED]

Nature of Complaint:

CORRESPONDENCE RECEIVED - OPINION OPPOSED:

RE: Docket No. W-01303A-09-0343

Date: 11/23/2009

Name: Joseph and Margaret Oloffo

Address: [REDACTED]

Phone: [REDACTED]

Email: [REDACTED]

Docket No.: W-01303A-09-0343

Utility Co.: Arizona American Water

Comments: We were assured when purchasing our home that the cost of water and sewer line were included in the price of our home. We were shocked to find out that this was not the case, with Del Webb selling these costs to Arizona American Water. It is hard to understand that on the west side of I-17 these same costs are approximately \$45.00 per month assessed by the City of Phoenix Water Department. We are presently paying approximately \$120.00 per month and looking at a substantial increase if approved. Need less to say this would place a great burden on our retirement income.

This water issue has affected our ability to sell our home in avoiding this substantial water cost. We've been advised that we can expect in an increase in our association dues, again because of the possible additional changes levied against the Anthem community.

End of Complaint

Utilities' Response:

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

Investigator's Comments and Disposition:

Opinion docketed with the Docket Control Center of the Arizona Corporation Commission to be made part of the record. CLOSED

End of Comments

Date Completed: 12/1/2009

Opinion No. 2009 - 83434

W 01303A-09-0343
SW 01303A-09-0343

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Brad Morton

Phone: [REDACTED]

Fax: ([REDACTED])

Priority: Respond Within Five Days

Opinion No. 2009 - 83608

Date: 12/9/2009

Complaint Description: 08A Rate Case Items - Opposed
N/A Not Applicable

Complaint By: First: Douglas Last: Perez

Account Name: Douglas Perez

Home: (602) 000-0000

Street: n/a

Work:

City: n/a

CBR:

State: AZ Zip: 00000

is:

Utility Company: Arizona - American Water Company

Division: Water

Contact Name: [REDACTED]

Contact Phone: [REDACTED]

Nature of Complaint:

From: Douglas Perez [REDACTED]
Sent: Tuesday, December 08, 2009 4:38 PM
To: Utilities Div - Mailbox
Subject: Anthem Water Rate Increase

December, 7, 2009

Re: Docket # W-01303A-09-0343

Dear Chairwoman Mayes and Commissioners:

I am taking this opportunity to write because of the Arizona American Water rate increase request currently before the Arizona Commission Council. I trust my comments will provide additional perspective and dimension beyond statements already submitted or presented by other Anthem residents.

Make no mistake about it, the residents of Anthem are victims. We are victims just like those affected by hurricane Katrina or the financial hurricane provided by the mortgage crisis as inflicted on the US population by Wall Street and the nations banking institutions.

We were victimized first by Del Webb/Pulte and now by AZ American. The rate increases requested, and I might add granted, over the past several years are unconscienable and are now compounded by plummeting real estate values. When do the residents of Anthem stop taking it on the chin? We look to the Commission to be our advocates to restore some semblance of balance if not justice to this assault. Let me give you an example of the rate shock homeowners have experienced in Anthem. Despite no increase in consumption my water/sewer rate has more than doubled over the last two years. My latest bill was \$145.72!

And, we continue to be victims. I don't know that we can, but if we could, ignore the gross non disclosures by Del Webb/Pulte the victimization began when Anthem home buyers had little choice in choosing their utility

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

companies. We had no choice whatsoever regarding basic services such as electric (APS), gas (SW Gas), garbage (Allied Waste) or water (AZ Amer.). These vendors were predetermined by the builder. The only choices available were for optional services such as telephone, cable TV and Internet providers.

Additionally, Del Webb/Pulte required that all basic services be connected and operational prior to closing in order that the home buyer, on the day of closing, could inspect the working condition of all services and the associated appliances. This procedure was not optional if homebuyers wanted to close on their homes. Homebuyers then had two days to put the services into their own names.

The Anthem victimization all started with collusion when Del Webb/Pulte entered into a collusive arrangement with Citizens Water/AZ American in which the water company was able to purchase the Anthem infrastructure under very favorable conditions and with other peoples money. Under the arrangement Del Webb was to build the infrastructure and pay its costs to build in order to get Citizens Water to agree to become the Anthem water supplier. Dell Webb/Pulte then sold the infrastructure to Citizens Water/AZ American under extended payment terms. In business, we call that a Sweetheart Deal. Isn't it strange this arrangement, involving a public utility and impacting public interest, was never presented to the Arizona Corporation Commission for approval!

Citizens, and its successor, AZ American, in addition to recapturing the infrastructure cost through depreciation, seek to have their customers pay the financing costs as well. In reality, now that the financing notes are coming due AZ American wants the Anthem home owners to "tote the notes" for them. Also, there is no guaranty that next year or the year after, or the year after that for that matter, that AZ American won't be coming back for additional rate increases based upon claimed increases operating costs, in the cost of equity or some other spurious reason.

I further believe there has been double dipping by both Del Webb/Pulte and Arizona American Water in recovering the costs associated with the water/waste infrastructure. It is a maxim in marketing that a company prices its product based upon its costs to plan, produce, market, and additionally, builds in an element for profit. It is unrealistic to believe that Del Webb/Pulte did not recover its costs to build the Anthem infrastructure in the price of each home sold. Secondly, they then "sold" the infrastructure to Citizens Water in a deferred payment plan that would, once again, recover their costs, albeit over time. Therefore they would be collecting twice on the same financial expenditure.

Arizona American Water on the other hand is similarly going to the well more than once. Its German parent purchased the US water company and, as such, have capitalized that purchase on their financial books. According to accepted accounting principles, the US company lists the purchased assets on its financial books under long term assets and then depreciates the asset thereby receiving a financial tax benefit as it recovers their cost over time. The US financial books are then "rolled up" into the parent company to provide consolidated financial statements.

The double dipping comes in when AZ American attempts to recover their acquisition cost a second time by tying its rate hike into the repayment of the financing notes due Del Webb/Pulte. In the capitalist system, even for quasi monopolies, a company invests capital to produce a product it thinks will sell and make a profit. There are no certainties for success. To put it in the vernacular, "You pays your money and you takes your chances". Simply put, where is it written that a company is guaranteed a return of investment, much less a return on investment? Why should the homeowners of Anthem have to bear that burden?

To add insult to injury, should the rate increase, which includes the infrastructure costs in the rate base, be approved, these so called "true up" payments requires Anthem homeowners to be saddled with a mortgage that goes forever into the future. We will pay and continue to pay for that infrastructure over and over, ad infinitum! How many times does AZ American get to recover its costs?

I trust this commentary will provide additional relevancy to your deliberations as you prepare to vote on the issues pertaining to the Anthem proceedings.

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Respectfully submitted,

Douglas D. Perez
End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Opinion docketed
End of Comments

Date Completed: 12/9/2009

Opinion No. 2009 - 83608
